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Drafter: LAN

LR (item): 2564(01)

Date: 6/14/2019

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**Pursuant to HP 2306, Joint Order to Report Out a Bill to Study the Establishment of a Consumer-Owned Utility
EUT Voted: OTP (12-0) on LR 2564**

LR 2564, Resolve, Directing the Public Utilities Commission to Evaluate the Ownership of Maine's Power Delivery Systems

Emergency preamble. Whereas, acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, 19 of every 20 Maine electricity customers are currently served by an investor-owned transmission and delivery utility owned from a foreign nation,

Whereas, the remaining Maine electricity customers are served by consumer-owned utilities such as Kennebunk Light and Power, Madison Electric, Houlton Water, and Eastern Maine Electric Co-op; and

Whereas, an in-depth evaluation of the proposal contained in LD 1646, An Act to Restore Local Ownership and Control of Maine's Power Delivery System, to create the Maine Power Delivery Authority as a consumer-owned utility to acquire and operate the transmission and distribution systems in the State currently owned by investor-owned transmission and distribution utilities, is needed before the Legislature acts on that proposal;

Whereas, the evaluation must be initiated before the 90-day period expires in order for the Public Utilities Commission to provide findings and recommendations for action in the second regular session; and

Whereas, in the judgement of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore, be it

Sec. 1. Public Utilities Commission evaluation. Resolved: That the Public Utilities Commission shall evaluate the proposal for creation of the Maine Power Delivery Authority as presented in LD 1646, An Act to Restore Local Ownership and Control of Maine's Power Delivery System, referred to in this resolve as "the proposal." The evaluation must include but is not limited to:

1. Analysis of the costs and benefits, both short-term and long-term, of the proposal;

2. Examination of legal, regulatory, technical, financial and operational issues related to the proposal and its implementation;

3. Assessment of anticipated impacts, both positive and negative, of the proposal on the State, including but not limited to impacts on electricity rates, utility employees and ratepayers; and

4. Development of alternatives or amendments to the proposal to address any identified obstacles to its implementation.

The commission shall contract with an independent consultant or consultants with relevant expertise to assist the commission with the evaluation. For the purposes of this section, relevant expertise includes, but is not limited to, expertise in utility valuation and finance and other legal, regulatory, technical, financial and operational issues related to the proposal. The commission may seek public input and may consult with the Office of the Public Advocate and Governor's Energy Office as needed to conduct the evaluation.

Sec. 2. Report. Resolved: That, no later than February 15, 2020, the commission shall submit to the Joint Standing Committee on Energy, Utilities and Technology a report on the evaluation required in section 1. The report must include results, findings and recommendations from the evaluation, including suggested amendments to LD 1646 and any other suggested legislation. The report must specify which aspects of the evaluation have been completed and which, if any, require further time and study.

Sec. 3. Funding. Resolved: That, notwithstanding Maine Revised Statutes Title 35-A, section 117, subsection 3, paragraph B, or any other provision of law, the Public Utilities Commission shall use funds from the Public Utilities Commission Reimbursement Fund, established in the Maine Revised Statutes Title 35-A, section 117, to carry out the requirements of this Resolve.

SUMMARY

This resolve directs the Public Utilities Commission to evaluate the proposal for creation of the Maine Power Delivery Authority as presented in LD 1646, An Act to Restore Local Ownership and Control of Maine's Power Delivery System. It requires the commission to contract with an independent consultant or consultants with relevant expertise to assist the commission with the evaluation. It requires the commission to submit a report on the evaluation no later than February 15, 2020, that includes results, findings and recommendations and specifies which aspects of the evaluation have been completed and which require further study. Finally, the resolve authorizes the commission to use funds from the Reimbursement Fund to carry out the required evaluation.